

October 22, 2007

Att: Insurers and third party rate and form filers

Re: Indiana Department of Insurance rate and form filing fees

During the 2007 General Assembly session, H.E.A. 1452 passed which made significant changes in the way the Department will be funded in the future, and the fees to be implemented as a result.

While we recognize it is beholden upon insurers and third party filers to be familiar with each state's fee structures including retaliatory charges, we also took steps to have public notification of these changes. Unfortunately, since we do not have direct access to make changes for our website, that notification was apparently never posted. Industry was represented in the negotiations for these fees changes through several trade associations whose member companies would be most affected, so we expected those associations would also notify members of the changes. A bulletin did not seem necessary, consequently.

Effective July 1, 2007, our Department's funding has been completely removed from any subsidy by the general fund. By comparison to other state insurance departments, according to the NAIC survey results, Indiana has always been in the bottom 10% for both funding and staffing. The expectation is that with this legislative change we will be better able to sustain our budgetary needs. With the emphasis now on fee-based funding, the Department cannot consider any postponement of the effective date for the fee changes even though we know many of you were absolutely unaware of them. For that we truly apologize.

We have, again, indicated to the state IOT division the imperative nature of posting the fee schedule changes. If you have any further specific questions, please contact Alonza Jones, our Billing Coordinator Specialist, or Barbara Lohman, our Controller, or me. Thank you for your cooperation through this period of adjustment.

Carol Cutter
Chief Deputy Commissioner for Health and Legislative Affairs